



House Budget Committee

Democratic Caucus

U.S. Rep. John Spratt ■ Ranking Democratic Member

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Contact: Chuck Fant, 202-225-5501

Democrats Seek to Reshape Republican Budget

Social Security and Medicare Solvency, Medicare Drug Coverage, Education, and Debt Reduction Lead Long List of Amendments

WASHINGTON — Democrats plan to propose some 30 amendments to the House Republicans' budget resolution during a Budget Committee markup today.

The amendments are centered on key Democratic priorities, and aim at the adoption of a fiscally responsible budget resolution that extends the solvency of Social Security and Medicare, repays the entire publicly held debt by 2013, and provides targeted tax cuts to working families.

U.S. Rep. John Spratt (D-SC), the ranking Democrat on the committee, emphasized that strengthening Social Security and Medicare should be Congress's overriding goal. "With the economy running strong and surpluses racking up, we have a golden opportunity to extend the solvency of Social Security and Medicare well into the future, and we should not pass it up," Spratt said.

"This is the first failing of the Republican budget resolution," said Spratt. "It does nothing to extend the solvency of Social Security or Medicare. Our amendment would correct that."

The amendment, to be offered by Rep. David Price (D-NC) and others, reduces the Republicans' tax cut by half and uses those resources, as well as the entire Social Security surplus, to pay down the public debt. Interest savings made possible from paying down publicly held debt are credited to the Social Security and Medicare trust funds, extending their solvency.

"A significant tax cut can still be provided, and should be," said Spratt. "But strengthening Social Security and Medicare has got to be job one."

Another key Democratic amendment, to be offered by Rep. Joe Hoeffel (D-PA) and others, reduces the Republican tax cut to increase debt reduction. The amendment halves the Republican tax cut and devotes both that money and the entire Social Security surplus to debt reduction.

“A lower national debt will put the government in far better fiscal shape to deal with the retirement of the baby boomers, which begins in 2008,” said Spratt. “By forgoing half of the Republican tax cut, the entire publicly held debt can be wiped out earlier than under the Republicans’ budget.”

Making prescription drugs affordable for older Americans is another key goal of Democrats, and it too will get top priority during the markup.

Rep. Bob Weygand (D-RI) and other committee Democrats will offer an amendment that provides a voluntary prescription drug benefit for all Medicare beneficiaries. The amendment also includes premium and cost-sharing assistance for low-income beneficiaries.

On the education front, Rep. Rush Holt (D-NJ) and others plan to offer an amendment to support education from pre-school through postsecondary education at the levels sought in the President’s 2001 budget.

The amendment provides states and school districts with assistance to renovate up to 14,000 schools; helps elementary schools reduce class sizes to 18 students by continuing to hire up to 49,000 new teachers, nearly half the President’s goal of 100,000 new teachers by 2005; and increases by \$200 the maximum Pell Grant award to help needy students obtain the financial aid they need to attend college.

“Democrats will demonstrate that we can fund programs that Americans need, want, and depend on, and still have room for tax cuts,” said Spratt. “Because the tax cut in the Republicans’ resolution is so large, our amendments can pass and still leave room for tax relief. We can still mitigate the marriage penalty, avoid the impact of the Alternative Minimum Tax on middle income families, make fully deductible medical insurance premiums paid by the self-employed, allow a larger child care tax credit, and target other tax relief to working families.”

A complete list of the Democratic amendments will be available at the markup, scheduled for 11:00 am, Wednesday, March 15, in Room 210 of the Cannon House Office Building.

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